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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1992

Commission File Number 0-8623

ROBOTIC VISION SYSTEMS, INC.

(Exact name of Registrant as specified in charter)

| DELAWARE | 11-2400145 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | IRS Employer Identification Number |
| 425 RABRO DRIVE EAST, HAUPPAUGE, NEW YORK | 11788 |
| (Address of principal executive offices) | (Zip code) |

Registrant's telephone number, including area code (516) 273-9700

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Number of shares of Common Stock outstanding as at May 14, 1992: 8,083,503

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ROBOTIC VISION SYSTEMS, INC.
AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

**PART 1. Financial Information**

**Item 1. Financial statements**

| | March 31, 1992 (Unaudited) | September 30, 1991 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash | $ 232,000 | $ 174,000 |
| Receivables - net (including unbilled receivables of $211,000 at March 31, 1992 and $785,000 at September 30, 1991) | 1,157,000 | 1,699,000 |
| Inventories (Note 2) | 1,836,000 | 1,420,000 |
| Prepaid expenses and other current assets | 224,000 | 130,000 |
| Total Current Assets | 3,449,000 | 3,423,000 |
| Machinery and equipment, furniture and fixtures (at cost, less accumulated depreciation and amortization) | 738,000 | 709,000 |
| Other assets | 61,000 | 164,000 |
| TOTAL | $ 4,248,000 | $ 4,296,000 |
| **LIABILITIES** | | |
| **Current Liabilities:** | | |
| Accounts payable | $ 1,715,000 | $ 2,325,000 |
| Accrued expenses | 1,688,000 | 1,328,000 |
| Notes Payable to General Motors (Note 3) | -0- | 1,286,000 |
| Advance contract payments received | 1,871,000 | 960,000 |
| Total Current Liabilities | 5,274,000 | 5,899,000 |
| Other liabilities | 406,000 | 398,000 |
| Total Liabilities | 5,680,000 | 6,297,000 |
| **STOCKHOLDERS' EQUITY (Note 4)** | | |
| Capital stock - common - authorized 20,000,000 shares, $.01 par value; issued and outstanding 8,083,503 shares at March 31, 1992 and 6,357,480 shares at September 30, 1991 | 81,000 | 64,000 |
| Additional paid-in capital | 27,488,000 | 26,757,000 |
| Accumulated deficit | <29,001,000> | <28,822,000> |
| Total Stockholders' (Deficiency) Equity | < 1,432,000> | < 2,001,000> |
| TOTAL | $ 4,248,000 | $ 4,296,000 |

ROBOTIC VISION SYSTEMS, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Six Months Ended March 31, | | Three Months Ended March 31, | |
|---|---|---|---|---|
| | 1992 | 1991 | 1992 | 1991 |
| Revenues. . . . . | $6,360,000 | $5,256,000 | $2,564,000 | $ 2,152,000 |
| Cost of revenues. . . . . | 3,958,000 | 3,875,000 | 1,866,000 | 1,490,000 |
| Gross profit. . . . . | 2,402,000 | 1,381,000 | 698,000 | 662,000 |
| Research and development costs . . . . . | 1,270,000 | 763,000 | 663,000 | 410,000 |
| Selling, general and administrative expenses . | 1,319,000 | 1,233,000 | 626,000 | 586,000 |
| Interest (income) expense - net . . . . . | <8,000> | 165,000 | <10,000> | 57,000 |
| Net income (loss) (Note 5). | $ <179,000> | $ <780,000> | $ <581,000> | $ <391,000> |
| Net income (loss) per common share. . . . . | $ <.02> | $ <.12> | $ <.07> | $ <.06> |
| Weighted average number of shares outstanding . . | 7,982,957 | 6,350,163 | 8,083,503 | 6,357,476 |

ROBOTIC VISION SYSTEMS, INC.
AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Six Months Ended March 31, | |
|---|---|---|
| | 1992 | 1991 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | $< 179,000> | $< 780,000> |
| Add noncash items included in net income: | | |
| Depreciation and amortization | 133,000 | 169,000 |
| Cash provided by (applied to) operations | < 46,000> | < 611,000> |
| Asset and liability management: | | |
| Receivables - net | 542,000 | < 71,000> |
| Inventories | < 416,000> | 68,000 |
| Prepaid expenses and other current assets | < 94,000> | 226,000 |
| Other assets | 103,000 | 79,000 |
| Accounts payable | < 610,000> | < 479,000> |
| Accrued expenses | 360,000 | 89,000 |
| Notes payable | <1,286,000> | 64,000 |
| Advance contract payment received | 911,000 | 203,000 |
| Other liabilities | 8,000 | < 13,000> |
| (Increase) decrease in net operating assets | < 482,000> | 166,000 |
| Total | < 528,000> | < 445,000> |
| CASH FLOWS USED IN INVESTING ACTIVITIES - additions to property and equipment | < 162,000> | < 24,000> |
| CASH FLOWS FROM FINANCING ACTIVITIES - Issuance of common stock | 748,000 | 28,000 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | $ 58,000 | $< 441,000> |

ROBOTIC VISION SYSTEMS, INC.
AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Condensed Consolidated Financial Statements

The condensed consolidated balance sheet as of March 31, 1992, the condensed consolidated statements of operations for the three and six month periods ended March 31, 1992 and 1991 and the condensed consolidated statements of cash flows for the six month periods then ended have been prepared by the Company, without audit. The consolidated balance sheet as of September 30, 1991 was condensed from the audited balance sheet included in the Company's September 30, 1991 Annual Report on Form 10-K. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial condition, results of operations and cash flows at March 31, 1992 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's September 30, 1991 Form 10-K. The results of operations for the period ended March 31, 1992 are not necessarily indicative of the operating results for the full year.

2. Inventories

As of March 31, 1992 and September 30, 1991 inventories consisted of the following:

| | March 31, 1992 | September 30, 1991 |
|---|---|---|
| Raw Materials | $ 448,000 | $ 448,000 |
| Work-in-Process | 1,388,000 | 972,000 |
| Total | $1,836,000 | $1,420,000 |

Substantially all inventory at March 31, 1992 is related to the LS-2000 lead inspection machine and the HR-2000 electronic solder joint inspection machine.

3. Notes Payable

In December 1991, the Company and General Motors Corporation ("GM") entered into an agreement whereby GM would forgive and cancel the Company's indebtedness and the related accrued but unpaid interest thereon and release the security interest held by GM in the Company's assets as full payment for (i) certain automotive spare parts inventories held by the Company, (ii) the execution of a service agreement under which the Company will provide maintenance and repair service for a four-year period and (iii) the Company and its officers and directors executing an agreement not to bring suit against GM. The effect of this transaction is included in these March 31, 1992 financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

4. Stockholder's Equity

Private Equity Placement - In December 1991, the Company entered into an agreement with a group of investors including a director of the Company. The terms of the agreement provide for up to $1,500,000, before expenses, to be invested in the Company in two installments, after certain conditions have been met. In consideration for the first installment of $750,000, the investors have received 1,500,000 shares of the Company's common stock and warrants to purchase 500,000 shares of the Company's common stock at an exercise price of $1.00 per share. Included in the financial statements at March 31, 1992 is the infusion of the first $750,000, net of expenses. As of April 22, 1992 the Company has qualified to take down the second half of the private equity investment. The Company has until November 30, 1992 to decide if it wishes to exercise its option on this financing which amounts to $750,000.

5. Net Income (Loss)

Net income (loss) for the six months ended March 31, 1992 includes the benefit of $905,000 associated with the settlement of debt to General Motors Corporation.

Item 2. Management's discussion and analysis of financial condition results of operations. - Continued

Three and Six Months Ended March 31, 1992 and 1991

Results of Operations

Net loss for the six months ended March 31, 1992 decreased by $601,000 over the comparable period in 1991; however, if the non-recurring item related to General Motors were excluded, net loss would have increased by $304,000 compared to the previous year's comparable six months.

Liquidity and Capital Resources

The Company's working capital shortfall during the six months ended March 31, 1992 was satisfied by the Company's proceeds from its 1992 private placement. The Company's working capital needs for fiscal 1992 should be satisfied by operating revenues and, if required, the consummation of the second tranche of the 1992 private placement financing. The Company is also exploring other financing options to fund operations in the longer term. The Company currently has no outstanding line of credit and does not anticipate any material capital expenditures in fiscal 1992.

Effect of Inflation

Management believes that during the six months ended March 31, 1992 the effect of inflation has not been material.

Item 2. Management's discussion and analysis of financial condition results of operations. - Continued

Three and Six Months Ended March 31, 1992 and 1991

Results of Operations

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Effect of Inflation

Management believes that during the six months ended March 31, 1992 the effect of inflation has not been material.

## Part II. Other Information

### Item 4. Submission of matters to vote of Security Holders

(a) On March 26, 1992 Registrant held its Anraul Meeting of Stockholders.

(b) The following six Directors were elected at the meeting to serve for a term of one year or until their respective successors shall have been elected and shall have qualified:

| | |
|---|---|
| Pat V. Costa | Howard Stern |
| Donald F. Domnick | Wayne E. Meyer |
| Jay M. Haft | Robert H. Walker |

(c) A proposal to adopt Registrant's 1991 Stock Option Plan was also voted upon at the Annual Meeting. A total of 350,000 shares of Common Stock of the Company has been reserved for issuance under the 1991 plan. The number of affirmative votes and the number of negative votes cast with respect to the adoption of the 1991 Stock Option Plan were 3,630,226 and 662,849, respectively.

Registrant reported the ratification and the approval of the appointment of Deloitte & Touche as the Company's independent auditors for its fiscal year ending September 30, 1992. The number of affirmative votes and the number of negative votes cast with respect to this matter were 5,504,245 and 60,120 respectively.

### Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit 11 - Statement re computation of net income (loss) per common share

The weighted average number of shares outstanding used in the computation of net loss per common share does not include shares reserved for issuance described below since their effect on net income (loss) per share is anti-dilutive for each period presented:

| | |
|---|---|
| Pursuant to outstanding warrants | 1,867,693 |
| Pursuant to outstanding stock options | 790,350 |
| Total | 2,658,043 |

**Part II. Other Information - Continued**

**Item 6. Exhibits and Reports on Form 8-K**

(b) During the quarter ended March 31, 1992, Registrant filed a current report on Form 8-K, dated January 28, 1992. The events reported thereon were as follows:

(i) On January 28, 1992, Registrant consummated a private placement of 1,500,000 shares of Common Stock, representing approximately 20% of Registrant's issued and outstanding Common Stock after giving effect to the Private Placement, and warrants to acquire an additional 500,000 shares of Common Stock exercisable through January 1996 at $1.00 per share, from which Registrant derived gross proceeds of $750,000. The purchasers of Registrant's securities in the Private Placement have agreed to purchase a like number of securities which would result in Registrant's receipt of an additional $750,000 if during any three month period ending on November 30, 1992, Registrant shall have received a minimum of $3.0 million in booked firm orders from any combination of its semiconductor lead inspection systems, its printed circuit board solder quality control product and its solder or lead inspection research & development work.

(ii) As last previously reported in Registrant's Annual Report on Form 10-K for its fiscal year ended September 30, 1991, Registrant owed General Motors Corporation ("GM"), a principal stockholder of Registrant, approximately $1.3 million, inclusive of accrued interest. As a prerequisite to the consummation of the Private Placement, Registrant satisfied all of such indebtedness to GM at no significant cost to Registrant by agreeing to sell to GM certain inventory and spare parts previously utilized by Registrant in its automotive robotic systems integration business which was discontinued by Registrant during its fiscal year ended September 30, 1990.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROBOTIC VISION SYSTEMS, INC.

Registrant

Dated: May 14, 1992

Pat V. Costa
President and CEO
(Principal Executive Officer)

Dated: May 14, 1992

Robert H. Walker
Executive Vice President
and Treasurer
(Principal Financial Officer)